

# FIRST QUARTER REPORT

## 2007

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CROWN CORPORATIONS COUNCIL  
A Manitoba Crown Corporation

1130 - 444 St. Mary Ave.  
Winnipeg, Manitoba R3C 3T1  
[www.crowncc.mb.ca](http://www.crowncc.mb.ca)

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CROWN CORPORATIONS COUNCIL

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## LETTER OF TRANSMITTAL

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May 29, 2007

The Honourable Greg Selinger  
Minister responsible for  
Crown Corporations Council  
Province of Manitoba  
103 Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

Dear Minister:

The Council is required under the Crown Corporations Public Review and Accountability Act to provide a quarterly report. Enclosed is the Report for the three months ended March 31, 2007.

Yours truly,

*ORIGINAL SIGNED BY*

Raymond Poirier  
Chair

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## ACTIVITIES OF THE COUNCIL DURING THE QUARTER

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Council completed its annual review of the Crown corporations' capital expenditure programs during the period. Capital expenditures reviewed were consistent with the Crowns' mandates, corporate plans and strategies.

Staff completed a review of Communities Economic Development Fund. The review encompassed governance, corporate plans and strategic initiatives.

Council reviewed a refreshed model for Crown director indemnification. The model will serve as a consistent practice and is considered the minimum that Crowns should adopt.

Council continued to discuss strategic planning aspects of Council's role and strategies necessary to fulfil its mandate.

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## SUBMISSIONS TO COUNCIL

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During the reporting period, a submission was made to Council concerning a Crown under Council's purview. Council is reviewing the matter outlined in the submission.

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## OVERVIEW – FINANCIAL STATEMENTS

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### OVERVIEW

### CROWN CORPORATIONS COUNCIL

### FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2007 (UNAUDITED)

Operating expenses are recovered from the Crown corporations through assessment of levies allocated on a pro rata basis determined by the revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related costs are incurred.

Expenses for the three month period were slightly higher than last year primarily due to general salary increases and Board remuneration that reflects a vacant chair position.

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CROWN CORPORATIONS COUNCIL

## FINANCIAL STATEMENTS

### Balance Sheet (unaudited)

	March 31	
	2007	2006
	(thousands of dollars)	
<b>Assets</b>		
<b>Current:</b>		
Cash	\$ 458	\$ 451
Accounts receivable	<u>1</u>	<u>6</u>
	459	457
Capital assets (note 2)	2	16
	<u><u>\$ 461</u></u>	<u><u>\$ 473</u></u>
<b>Liabilities and Reserve Reflecting Net Investment in Capital Assets</b>		
<b>Current:</b>		
Accounts payable and accrued liabilities	\$ 67	\$ 72
Levies received in advance	<u>144</u>	<u>183</u>
Due to Manitoba Crown corporations	<u>99</u>	<u>80</u>
	310	335
<b>Retirement allowances and other benefits payable</b>	<u><u>149</u></u>	<u><u>122</u></u>
	459	457
<b>Reserve reflecting net investment in capital assets</b>	2	16
	<u><u>\$ 461</u></u>	<u><u>\$ 473</u></u>

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## FINANCIAL STATEMENTS

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### Statement of Income and Reserve Reflecting Net Investment in Capital Assets (unaudited)

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Three Months Ended March 31  
2007                    2006  
(thousands of dollars)

#### Income

Recoveries from corporations through levies	\$ 169	\$ 157
Interest	3	2
	172	159

Expenses	<u>176</u>	<u>163</u>
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Excess of expenses over income	\$ (4)	\$ (4)
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Reserve reflecting net investment in capital assets, beginning of period	6	20
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Reserve reflecting net investment in capital assets, end of period	<u>\$ 2</u>	<u>\$ 16</u>
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## FINANCIAL STATEMENTS

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### Notes to Financial Statements

March 31, 2007 (unaudited)

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#### 1. Recoveries of expenses from Crown corporations

Operating expenses are recovered from the Crown corporations through the assessment of levies allocated on a pro rata basis determined by the revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related costs are incurred. In addition, certain direct costs incurred on behalf of particular corporations are recovered directly from the respective Crown corporations.

#### 2. Capital assets

These are comprised entirely of office furniture and equipment and computer equipment.

	March 31	
	2007	2006
Cost		(in thousands of dollars)
Office furniture and equipment	\$ 61	\$ 61
Computer equipment	<u>46</u>	<u>46</u>
	<u><b>\$107</b></u>	<u><b>\$107</b></u>
Accumulated depreciation		
Office furniture and equipment	\$ 60	\$ 58
Computer equipment	<u>45</u>	<u>33</u>
	<u><b>\$105</b></u>	<u><b>\$ 91</b></u>
Net book value	<u><b>\$ 2</b></u>	<u><b>\$ 16</b></u>

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## FINANCIAL STATEMENTS

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### 3. Retirement allowances and other employee future benefits

The Council provides retirement allowance and pension benefits to its employees. Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management's best estimates of the length of service, salary increases and ages at which employees will retire. In addition, adjustments arising from plan amendment, changes in assumptions, and the actuarial present value of the accrued entitlement as at January 1, 2000 are being amortized to expenses on a straight line basis over the expected average remaining service life of the employee group. Actuarial gains and losses are recognized in income immediately.

In addition, one employee is entitled to enhanced pension benefits. The plan is based on final pay and is indexed. The cost of the benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire.

### 4. Statement of cash flows

A statement of cash flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.

